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The Impact of Regional Differences on Accounting Information Comparability: Evidence from Chinese Listed Firms

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Abstract

Accounting information comparability is an important dimension of financial reporting quality because it helps investors and other users compare firm performance under similar economic conditions. Prior research mainly explains differences in accounting information comparability from firm-level factors such as corporate governance, disclosure quality, and audit monitoring. However, firms operate in different institutional environments, and these external conditions may influence how managers interpret and apply accounting standards. In the Chinese capital market, listed firms follow unified accounting standards but operate in regions with different levels of market development and regulatory enforcement. Despite growing research on regional institutional environments, limited evidence exists on whether regional differences affect the comparability of financial reporting across firms. The purpose of this study is therefore to examine how regional differences influence accounting information comparability and whether this relationship varies over time and across regions. Using panel data of non-financial A-share listed firms in China from 2000 to 2024, this study measures accounting information comparability following the approach proposed by De Franco et al. (2011). Regional differences are defined based on firms' registered provinces and classified into eastern, central, and western regions. Panel regression models with industry and year fixed effects are used to test the hypotheses. The results show that firms located outside the eastern region have significantly lower accounting information comparability. Further analysis indicates that this relationship changes over time and differs across regions. These findings suggest that regional institutional environments influence the consistency of accounting practices across firms. This study contributes to the literature by linking regional institutional environments with accounting information comparability and by

providing new evidence from an emerging market. The findings also suggest that improving institutional conditions may help promote more consistent financial reporting across regions.
Keywords: Accounting Information Comparability, Regional Differences, Institutional Environment, Chinese Listed Firms

Introduction

Accounting information comparability is an important dimension of financial reporting quality because it allows users to evaluate and compare the performance of different firms under similar economic conditions and reduces information processing costs in decision making (De Franco et al., 2011). Prior research shows that higher comparability improves analyst forecast accuracy, supports more efficient investment decisions, and facilitates more reliable audit judgments (Francis et al., 2014; Kim et al., 2016). Most existing studies explain differences in accounting information comparability from firm-level factors such as corporate governance, disclosure quality, and audit monitoring mechanisms. Although this literature provides useful insights into how internal characteristics shape accounting outcomes, relatively little attention has been given to the external institutional environment in which firms operate. Evidence from the Chinese capital market shows that regional institutional environments strongly influence corporate accounting behavior. Differences in marketization level, regulatory enforcement, local protectionism, social trust, environmental regulation, and tax supervision affect firms' disclosure quality, accounting conservatism, and reporting incentives (Fan et al., 2011; Ye et al., 2020; Gao, 2023; Li & Zhu, 2021; Liu & Shen, 2021; Guo & Ma, 2024; Shen & Wang, 2024). However, these studies mainly focus on accounting information quality, such as reliability, transparency, and conservatism, while paying less attention to whether firms apply similar accounting treatments when facing similar economic events. This distinction is important because accounting information quality reflects the credibility of financial information, whereas accounting information comparability reflects the consistency of accounting practices across firms (De Franco et al., 2011). Even under unified accounting standards, managerial discretion in areas such as revenue recognition, asset measurement, impairment testing, and expense capitalization may lead to different accounting choices when firms operate in regions with different institutional environments. Based on this perspective, this study examines how regional differences influence accounting information comparability using panel data of Chinese non-financial A-share listed firms from 2000 to 2024, and further explores whether the effect changes over time and varies across eastern, central, and western regions.

Literature Review and Hypothesis Development

Literature on Accounting Information Comparability

Since the measure proposed by De Franco et al. (2011), accounting information comparability has become an important topic in financial reporting research. Comparability allows users to evaluate firms under similar economic conditions and to understand differences in performance more clearly. When financial reports are more comparable, users can process information more efficiently and make better decisions. Prior studies show that higher comparability improves analyst forecast accuracy, reduces information asymmetry, and supports more effective capital allocation (Francis et al., 2014; Kim et al., 2016).

Most studies in this area explain differences in comparability from firm-level characteristics. Corporate governance structures, disclosure quality, audit quality, and monitoring mechanisms have all been shown to influence accounting outcomes across firms.

These studies focus on how internal factors affect the way accounting standards are applied and provide important evidence that comparability is not only determined by accounting rules but also by firm behavior.

However, this line of research pays limited attention to the external environment in which firms operate. Accounting standards are implemented within specific institutional contexts. Firms located in different environments may face different regulatory pressures, legal conditions, and market expectations. These external factors may influence how managers interpret and apply accounting standards, which means firms may adopt different accounting practices even when they follow the same formal rules.

Regional Institutional Environment and Corporate Accounting Behavior: Evidence from China
A large body of research based on the Chinese capital market shows that firms' accounting behavior is strongly influenced by regional institutional environments. China provides a unique setting where firms follow unified accounting standards but operate in regions with very different institutional conditions. From the perspective of informal institutions, regional culture and social trust have been shown to affect accounting conservatism, disclosure behavior, and audit outcomes (Ye et al., 2020; Gao, 2023). Firms located in regions with higher social trust tend to provide more transparent financial information and exhibit more conservative reporting practices.

From the perspective of formal institutions, differences in marketization levels across regions influence financial transparency and disclosure quality (Fan et al., 2011). Local protectionism can weaken regulatory enforcement and affect firms' reporting incentives (Shen & Wang, 2024). Stronger environmental regulation and stricter tax enforcement increase the cost of violations and change firms' accounting behavior (Guo & Ma, 2024; Li & Zhu, 2021). Random regulatory inspections also increase external monitoring and affect how firms report financial information (Liu & Shen, 2021).

Together, these studies provide consistent evidence that regional institutional environments shape firms' accounting behavior. Firms do not apply accounting standards in isolation; instead, accounting practices are influenced by the surrounding regulatory and social environment.

From Accounting Information Quality to Consistency of Accounting Practices
A large number of studies show that regional institutional differences affect accounting information quality. For example, regional culture and social trust influence accounting conservatism and disclosure behavior (Ye et al., 2020; Gao, 2023). Differences in marketization levels affect financial transparency and disclosure quality (Fan et al., 2011). Stronger regulatory enforcement, environmental supervision, and tax enforcement also change firms' reporting incentives and accounting behavior (Guo & Ma, 2024; Li & Zhu, 2021). These studies mainly focus on whether accounting information is true, conservative, and transparent.

However, less attention is given to whether firms apply similar accounting treatments when facing similar economic events. This distinction is important. Accounting information quality measures whether financial information is reliable, while accounting information

comparability measures whether financial reports from different firms can be directly compared (De Franco et al., 2011). These two concepts are related but not identical.

From the perspective of accounting practice, comparability reflects the consistency of accounting treatments across firms. Even when accounting standards are unified, managers still have discretion in areas such as revenue recognition, asset measurement, impairment testing, and expense capitalization. The way this discretion is used depends on managers' judgments. Prior studies suggest that managers' reporting decisions are influenced by the surrounding regulatory and institutional environment (Fan et al., 2011; Shen & Wang, 2024). When firms operate in regions with stronger regulatory enforcement and higher violation costs, managers may apply accounting standards more cautiously. In regions with weaker enforcement or stronger local protectionism, different accounting approaches may be adopted.

Over time, these differences in accounting judgments can lead to systematic differences in accounting practice paths across firms. Such differences may not always appear as differences in information quality. Instead, they may appear as differences in how financial reports can be compared across firms. Even when firms follow the same accounting standards, their financial statements may not be easily comparable because of differences in accounting practice. This perspective suggests that accounting information comparability may be more sensitive to regional institutional differences than general measures of information quality (De Franco et al., 2011; Francis et al., 2014).

Research Gap and Hypothesis Development

Existing research on accounting information comparability mainly focuses on firm-level explanations (De Franco et al., 2011; Francis et al., 2014). At the same time, research based on the Chinese context shows that regional institutional differences affect accounting information quality and audit behavior (Fan et al., 2011; Ye et al., 2020; Gao, 2023). However, these two research streams have not been integrated. Prior studies indicate that regional institutional environments influence firms' accounting behavior, but there is still limited evidence on whether these differences further affect the comparability of financial reports across firms. When regional institutional environments shape how managers apply accounting standards, firms in different regions may gradually form different accounting practice paths. Even though all firms follow the same accounting standards, these differences in practice may reduce the comparability of financial statements across regions. Based on this reasoning, regional institutional differences are expected to influence accounting information comparability by shaping the consistency of accounting practices, and the following hypothesis is proposed.

H1: Accounting information comparability differs significantly across regions.

H2: The impact of regional differences on accounting information comparability changes over time.

H3: The impact of regional differences on accounting information comparability varies across different regions.

Research Design

Sample Selection and Data Sources

This study uses non-financial A-share listed firms in China from 2000 to 2024 as the research sample. We construct a firm–year panel dataset. The data are mainly collected from the CSMAR and Wind databases. Following common practice in accounting and auditing research, we exclude financial firms and firms marked as ST/PT to avoid the influence of special regulatory conditions on financial reporting behavior. To reduce the impact of extreme values, all continuous variables are winsorized at the 1% level.

After these procedures, the final sample includes 57,700 firm–year observations from 5,460 listed firms. The long time span and large cross-sectional sample provide a reliable basis for testing the impact of regional differences on accounting information comparability.

Measurement of Accounting Information Comparability

Accounting information comparability (COMP) is measured following the method proposed by De Franco et al. (2011). This method captures the similarity of firms' earnings responses to economic events and reflects how comparable financial reporting outcomes are across firms under similar conditions.

Specifically, we first estimate the mapping between earnings and stock returns at the industry level. We then calculate the similarity of this mapping function between any two firms. Based on this similarity, we construct a firm-level measure of accounting information comparability. This method is widely used in comparability research and is considered effective in capturing the consistency of accounting practices in the application of accounting standards (De Franco et al., 2011; Francis et al., 2014).

A higher value of COMP indicates greater consistency in accounting treatments among firms within the same industry, and thus higher accounting information comparability.

Definition of Regional Differences

Regional differences are defined based on the registered provinces of listed firms. Following the common regional classification used in Chinese macroeconomic studies, and drawing on the approach of Fan et al. (2011) regarding differences in marketization across regions, we divide the sample into eastern, central, and western regions. This classification reflects systematic differences in institutional environment, marketization level, and regulatory enforcement across regions.

To ensure that the results do not depend on a specific regional classification, we also use alternative classifications based on marketization levels and geographical divisions in the robustness tests.

Model Specification

To test whether regional differences affect accounting information comparability, we estimate the following baseline regression model .Industry and year fixed effects are included in the model, and standard errors are clustered at the firm level. In addition, interaction terms between regional variables and time variables, as well as subsample regressions by region, are used to further examine the time-varying effect and regional heterogeneity of regional differences.

$$COMP\ i,t=\alpha+\beta Region\ i,t+\gamma Industry+\delta Year+\varepsilon i,t$$

Empirical Results

Descriptive Statistics

Sample Descriptive Statistics

This study uses A-share listed firms in China as the research sample over the period from 2000 to 2024. After excluding financial firms and ST/PT firms, and winsorizing the main continuous variables, the final sample includes 57,700 firm–year observations from 5,460 listed firms. The sample size and long time span provide sufficient cross-sectional and time-series variation for the subsequent empirical analysis.

Regarding the overall distribution of accounting information comparability (COMP), the mean value is −0.0351 and the median is −0.0198, indicating that there are differences in comparability across firms. The standard deviation of COMP is 0.0470, with a minimum value of −0.6437 and a maximum value close to zero. This suggests a clear dispersion in accounting information comparability among firms. The result shows that COMP has sufficient variation in the sample, which provides a good data basis for testing regional differences as well as their time evolution and regional heterogeneity.

Table 4.1
Descriptive Statistics

Variable	N	Mean	Std. Dev.	Min	Median	Max
COMP	57,700	-0.035	0.047	-0.644	-0.020	0.000
REGION	57,700	0.462	0.499	0	0	1
EAST	57,700	0.536	0.499	0	1	1
CENTRAL	57,700	0.237	0.425	0	0	1
WEST	57,700	0.227	0.419	0	0	1
YEAR	57,700	2014.8	6.2	2000	2015	2024

Notes: This table reports the descriptive statistics of the main variables used in the study. All continuous variables are winsorized at the 1% level.

Descriptive Statistics by Year

To examine the time distribution of accounting information comparability, the sample is grouped by year. Table 4.2 reports the number of observations, the mean, and the standard deviation of COMP for each year during the sample period.

From a time perspective, the sample shows a continuous distribution from 2000 to 2024. The number of firm–year observations increases over time, which reflects the growth of listed firms in China's capital market. The mean value of COMP shows some variation across years, indicating that accounting information comparability is not stable over time and changes across different periods. The standard deviation of COMP also varies across years, which suggests differences in the dispersion of comparability among firms in different years. These yearly statistics provide a background for analyzing the time-varying effect of regional differences.

Table 4.2
Accounting Information Comparability by Year

Year	N	Mean COMP	Std. Dev.
2000	851	-0.0213	0.0229
2001	981	-0.0163	0.0197
2002	1,036	-0.0210	0.0245
2003	1,066	-0.0231	0.0277
2004	1,111	-0.0377	0.0517
2005	1,156	-0.0356	0.0474
2006	1,207	-0.0312	0.0396
2007	1,312	-0.0301	0.0383
2008	1,381	-0.0319	0.0399
2009	1,457	-0.0344	0.0434
2010	1,582	-0.0332	0.0415
2011	1,742	-0.0361	0.0452
2012	1,915	-0.0379	0.0473
2013	2,132	-0.0391	0.0498
2014	2,344	-0.0402	0.0513
2015	2,598	-0.0416	0.0530
2016	2,876	-0.0427	0.0548
2017	3,085	-0.0439	0.0562
2018	3,247	-0.0441	0.0568
2019	3,356	-0.0445	0.0571
2020	3,409	-0.0447	0.0571
2021	3,855	-0.0459	0.0622
2022	4,375	-0.0376	0.0496
2023	4,773	-0.0382	0.0445
2024	5,021	-0.0365	0.0437

Notes: This table reports the yearly distribution of accounting information comparability (COMP), including the number of observations, mean, and standard deviation for each year.

Baseline Regression Results

Table 4.3 reports the baseline regression results examining the relationship between regional differences and accounting information comparability. After controlling for industry and year fixed effects and clustering standard errors at the firm level, the coefficient of REGION is −0.003142 and is statistically significant at the 1% level. This result indicates that firms located outside the eastern region exhibit lower accounting information comparability than firms located in the eastern region. In other words, compared with firms in more developed regions, firms operating in other regions tend to show greater differences in accounting practices when facing similar economic events. The negative and significant coefficient provides empirical evidence that regional differences are associated with variations in financial reporting outcomes across firms.

From an economic perspective, this finding suggests that the institutional environment in which firms operate may influence how accounting standards are applied in practice. Although listed firms follow the same national accounting standards, differences in regulatory enforcement, market development, and external supervision across regions may affect managers' reporting decisions. Firms in regions with stronger institutional environments may

face more consistent regulatory oversight and market discipline, which can encourage more standardized accounting practices. In contrast, firms operating in regions with weaker institutional environments may adopt more diverse accounting treatments, which can reduce the comparability of financial reporting outcomes across firms. Overall, the baseline regression results provide initial evidence that regional institutional environments play an important role in shaping accounting information comparability. This result highlights the importance of considering regional institutional environments when evaluating the consistency of accounting practices across firms.

Table 4.3
Baseline Regression Results

VARIABLES	COMP
REGION	-0.003142***
	(0.000667)
Constant	-0.016115***
	(0.002932)
Industry FE	Yes
Year FE	Yes
Observations	57,700
Adj. R-squared	0.0935

Notes: Standard errors clustered at the firm level are reported in parentheses. The dependent variable is COMP. All regressions include industry and year fixed effects. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

The baseline results highlight the role of regional institutional environments in shaping the consistency of corporate financial reporting. Although listed firms operate under unified national accounting standards, the institutional conditions in which they operate may influence how managers interpret and apply these standards in practice. Differences in regulatory enforcement, market development, and external supervision across regions may affect managerial judgment in areas such as revenue recognition, asset valuation, and impairment decisions. When firms operating in different institutional environments adopt different accounting approaches under similar economic conditions, the comparability of financial reporting outcomes across firms may be reduced. Therefore, regional institutional environments can become an important contextual factor influencing accounting information comparability.

Time-Varying Effect Analysis

To examine whether the impact of regional differences changes over time, the sample is divided into three periods under Scheme A, and the baseline model is estimated for each period. Table 4.4 reports the regression results for different periods. Overall, compared with the eastern region (the reference group), the coefficients for the central and western regions show differences across periods. The coefficient for the central region is negative in all three periods and becomes larger and more significant in the recent period (2015–2024). The western region shows a negative and significant coefficient in the early period (2000–2006), but the results are not stable in the middle and recent periods. These results suggest that the impact of regional differences on accounting information comparability changes across different stages and provide evidence for further analysis of the time-varying effect.

Table 4.4
Regression Results across Different Periods

VARIABLES	Early (2000–2006)	Middle (2007–2014)	Recent (2015–2024)
Central	-0.002338 (0.001672)	-0.002067* (0.001094)	-0.003875*** (0.001047)
West	-0.004339** (0.002091)	-0.001716 (0.001461)	-0.000612 (0.001223)
Industry FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Observations	7,125	13,681	35,128
Adj. R-squared	0.1236	0.1018	0.1092

Notes:The dependent variable is accounting information comparability (COMP). East is the reference group. Central and West are regional indicators constructed from firms' registered provinces. All regressions include industry and year fixed effects. Standard errors clustered at the firm level are reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

The results also reveal that the negative coefficient for the central region becomes larger and more statistically significant in the recent period (2015–2024). This pattern suggests that the influence of regional institutional environments on accounting practices may have become more pronounced over time. As China's capital market continues to develop and regulatory systems gradually improve, differences in regional institutional conditions may play a stronger role in shaping firms' reporting behavior.

One possible explanation is that firms in regions with stronger institutional environments face more consistent regulatory supervision and higher market discipline. Under such conditions, managers may adopt more standardized accounting treatments, which improves the comparability of financial reports across firms. In contrast, firms operating in regions with relatively weaker institutional environments may retain greater flexibility in accounting choices, which may reduce comparability.

Regional Heterogeneity Analysis

Table 4.5 reports the regression results for regional heterogeneity. Compared with the eastern region (the reference group), the coefficients for both the central and western regions are negative and significant at the 1% level. The coefficient for the central region is -0.002880, and the coefficient for the western region is -0.003339.

These results show that firms in both the central and western regions have significantly lower accounting information comparability than firms in the eastern region. The difference is more pronounced for the western region. This finding further confirms that regional environmental differences play an important role in explaining the regional distribution of accounting information comparability.

Table 4.5
Regional Heterogeneity Regression Results

VARIABLES	(1) COMP
CENTRAL	-0.002880***
	(0.000900)
WEST	-0.003339***
	(0.000807)
Constant	—
Industry FE	Yes
Year FE	Yes
Observations	57,700
Adj. R-squared	0.0935

Notes: East is the reference group. Standard errors clustered at the firm level are reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

The results show that firms in both the central and western regions have significantly lower accounting information comparability than firms in the eastern region, with the western region exhibiting the largest difference. This pattern is consistent with the institutional development differences across Chinese regions. Prior research shows that eastern China generally has higher marketization levels, stronger regulatory enforcement, and more developed financial markets (Fan et al., 2011). These institutional advantages may encourage more consistent accounting practices across firms.

In contrast, regions with relatively weaker institutional environments may experience greater variation in corporate reporting practices. Differences in regulatory supervision, local protectionism, and market competition may allow firms to adopt more diverse accounting treatments when applying accounting standards. As a result, financial reporting outcomes may become less comparable across firms in these regions.

In addition, regional differences in economic development and regulatory capacity may also influence how accounting standards are applied in practice. Regions with stronger economic development often have more active capital markets, higher levels of investor participation, and stronger demand for transparent financial reporting. Under such conditions, firms may face greater pressure to provide financial information that is consistent and comparable with other firms in the market. This pressure may encourage managers to adopt more standardized accounting treatments and reduce variation in accounting choices across firms. By contrast, firms located in regions with relatively weaker economic development may face less market monitoring and weaker external pressure from investors and analysts. In these environments, managers may have greater flexibility when making accounting judgments, especially in areas where accounting standards allow discretion. Differences in local regulatory resources and supervision intensity may further increase variation in corporate reporting practices. When firms operating in different regions adopt different accounting approaches under similar economic conditions, the comparability of financial reporting outcomes across firms may decrease.

Robustness Tests

Robustness Test with Different Winsorization Methods

To test whether the treatment of extreme values affects the baseline results, the accounting information comparability measure is reprocessed using three methods: no winsorization, 0.5% winsorization, and 2% winsorization, while keeping the model unchanged. Table 5.1 reports the results.

The results show that the coefficient of REGION remains significantly negative under all alternative winsorization methods. The magnitude of the coefficient changes only slightly across specifications, indicating that the baseline results are not driven by extreme observations in the sample. This finding suggests that the relationship between regional differences and accounting information comparability is stable and not sensitive to the treatment of outliers. Therefore, the negative association documented in the baseline regression reflects a systematic pattern rather than being influenced by a small number of extreme observations.

Table 5.1
Robustness Test: Alternative Winsorization

VARIABLES	No Winsor	0.5% Winsor	2% Winsor
REGION	-0.003142***	-0.002901***	-0.002470***
	(0.000667)	(0.000646)	(0.000592)
Industry FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Observations	57,700	57,700	57,700

Notes: Standard errors clustered at the firm level are reported in parentheses. The dependent variable is COMP. All regressions include industry and year fixed effects. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Robustness Test with Alternative Regional Classifications

To test whether the results depend on a specific regional classification, the sample firms are regrouped using three different regional classification standards based on firms' registered provinces, and the baseline regression is repeated. The three classifications are: the eastern–central–western economic division (Baseline), regional differences in marketization (Alt. Region 1), and geographic division (Alt. Region 2).

Table 5.2 shows that under different regional classifications, the coefficient of REGION remains significantly negative, and the magnitude of the coefficient changes only slightly. This indicates that the results do not depend on a specific regional classification method and are robust.

Table 5.2
Robustness Test: Alternative Regional Classification

VARIABLES	Baseline	Alt. Region 1	Alt. Region 2
REGION	-0.003142*	-0.002895*	-0.003153*
	(0.000667)	(0.000680)	(0.000677)
Industry FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Observations	57,700	57,700	57,700

Notes: Standard errors clustered at the firm level are reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Robustness Test by Excluding Special Samples

To further rule out the possible influence of specific types of firms, additional sample exclusions are applied, and the baseline model is re-estimated. All sample selections are based on the firm–year panel data used in this study.

Specifically, two types of firms are excluded: (1) firms registered in municipalities directly under the central government (Beijing, Shanghai, Tianjin, and Chongqing), and (2) firms listed for less than three years. Table 5.3 reports the regression results.

The results show that under different sample exclusion conditions, the coefficient of REGION remains significantly negative, and the magnitude changes only slightly. This indicates that the findings are not driven by firms in highly regulated municipalities or newly listed firms, and the conclusions remain robust.

Table 5.3
Robustness Test: Excluding Special Samples

VARIABLES	(1) Baseline	(2) Exclude Municipalities	(3) Exclude Young Firms
REGION	-0.003142*** (0.000667)	-0.003096*** (0.000710)	-0.002516*** (0.000824)
Industry FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Observations	57,700	46,222	42,500

Notes: Standard errors clustered at the firm level are reported in parentheses. The dependent variable is COMP. All regressions include industry and year fixed effects. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

Discussion

The baseline regression results show that regional differences are significantly associated with accounting information comparability. Firms located outside the eastern region have lower comparability than firms in the eastern region. This result suggests that regional institutional environments influence how firms apply accounting standards. Although listed firms follow the same accounting rules, differences in regulatory enforcement, market development, and institutional conditions may lead managers to adopt different accounting practices. When firms face similar economic events, they may still make different accounting choices. Over time these differences may reduce the comparability of financial reporting outcomes across regions. This finding is consistent with the view that accounting outcomes are influenced not only by firm-level characteristics but also by the institutional environment in which firms operate (De Franco et al., 2011; Francis et al., 2014).

The time analysis shows that the impact of regional differences changes across different periods. The negative effect becomes stronger in the later stage of the sample period. This result suggests that the influence of institutional environments on accounting practices may evolve over time. As the Chinese capital market develops and regulatory systems improve, differences in regional institutional conditions may affect how firms interpret and apply

accounting standards. Changes in supervision intensity, market competition, and regulatory enforcement may gradually shape managers' reporting behavior.

The regional heterogeneity results further show that accounting information comparability differs across regions. Firms in both the central and western regions have lower comparability than firms in the eastern region. The difference is more pronounced for firms located in the western region. This pattern is consistent with prior studies showing that institutional development and marketization levels differ across Chinese regions (Fan et al., 2011). Regions with stronger institutional environments may encourage more consistent accounting practices across firms, while weaker institutional environments may lead to greater variation in accounting choices.

The robustness tests provide additional support for these findings. The negative relationship between regional differences and accounting information comparability remains stable under different winsorization methods, alternative regional classifications, and additional sample exclusions. These results indicate that the main findings are not driven by extreme observations, regional classification choices, or specific types of firms. Overall, the evidence suggests that regional institutional environments play an important role in shaping accounting information comparability.

Conclusion

This study examines how regional differences influence accounting information comparability using data from Chinese A-share listed firms from 2000 to 2024. The results show that accounting information comparability varies across regions and over time. Firms located outside the eastern region tend to have lower comparability than firms in the eastern region. These findings suggest that financial reporting outcomes are shaped not only by firm characteristics but also by the institutional environment in which firms operate. The study contributes to the literature by linking regional institutional differences with accounting information comparability and by providing evidence from a large sample in an emerging market. The findings also suggest that improving institutional conditions and regulatory enforcement may help promote more consistent accounting practices across regions. Future research may further explore the specific channels through which regional institutional environments influence corporate accounting behavior.

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